GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4243
ANSWERED ON:04.05.2007
DECLINE IN SHARE VALUE IN CAPITAL MARKETS
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Will the Minister of FINANCE be pleased to state:

(a) whether about 86 companies have mobilized Rs.11,568 crore from the general investors through capital market during 2006-2007;

(b) whether their share values declined substantially thereafter;

(c) whether the Securities and Exchange Board of India (SEBI) has examined possibility of any nexus therein;

(d) if so, the details thereof; and

(e) the details of companies out of these companies whose share prices have registered decline vis-Ã -vis their issue prices at the end of the year?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Securities and Exchange Board of India (SEBI) has informed that 85 companies have mobilized an amount of Rs.29797 crore during 2006-07 through public issues.

(b) Of the 85 companies who made public issues during 2006-07, closing prices of 40 companies were lower on the listing day than their issue prices.

(c) and (d): The rise and fall of price is a function of demand and supply in the markets. SEBI keeps a watch on unusual and abnormal price movements and takes appropriate actions wherever deemed necessary.

(e) Of the 85 companies who made public issues during 2006-07, 81 were listed during 2006-07. Out of the 81 companies, the closing prices of 50 companies were lower on the last trading day of 2006-07 than their issue prices.